

**CENTRAL**

**FORT KNOX, KENTUCKY,  
FORT LEAVENWORTH, KANSAS,  
REDSTONE ARSENAL, ALABAMA**

**REQUEST FOR QUALIFICATIONS (RFQ)  
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**W912DR-04-R-0012**

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## **1.0 INTRODUCTION**

a. The Department of The Army intends to improve the quality of on-post housing and communities currently provided to Soldiers and their families. At many installations, Army Family Housing (AFH) does not meet current housing standards and there is a deficit of adequate/affordable housing off-post. The Army has considered a wide range of alternatives to address the persistent funding shortfall and resulting revitalization (construction and major maintenance and repair) backlog. This shortfall is the backlog of work needed on existing units to bring them up to current standards. During the mid-1990s, studies by several agencies [e.g., Marsh Quality of Life Task Force, Army Science Board, Congressional Budget Office (CBO), the General Accounting Office (GAO), and others] all came to the same conclusion that family housing could not be revitalized using only the traditional Military Construction (MILCON) Program.

b. The Army has awarded twenty projects (Fort Carson, Fort Hood, Fort Lewis, Fort Meade, Fort Bragg, Fort Campbell, Fort Stewart, Fort Polk, the Presidio of Monterey/Naval Postgraduate School, Fort Irwin, Fort Hamilton, Walter Reed Army Medical Center/Fort Detrick, Fort Belvoir, Fort Eustis/Story, Fort Shafter/Schofield Barracks, Fort Leonard Wood, Fort Drum, Fort Sam Houston, Carlisle Barracks, Picatinny Arsenal and Fort Monmouth, and Fort Bliss) under a program for housing and community development privatization called the Residential Communities Initiative (RCI). Through RCI, The Army seeks to improve the quality of life for Soldiers and their families through the use of private sector resources and market-based incentives. RCI is an innovative program developed and managed under the oversight and direction of the Office of the Assistant Secretary of The Army (Installations and Environment), (OASA (I&E)) on behalf of the Secretary of The Army. The Army believes that housing privatization provides an excellent opportunity for addressing the housing needs of America's soldiers while providing an excellent business opportunity for its private partners.

### **1.1 Overview**

a. This requirement is being pursued under the Military Housing Privatization Initiative (MHPI) legislation (10 USC 2871-2885) enacted by Congress in 1996. The MHPI legislation allows the military services to leverage scarce appropriated funds and extensive existing assets (land and improvements). Additional information on the RCI program can be found at the website <http://rci.army.mil>.

b. This solicitation is structured as a Request for Qualifications (RFQ). The RFQ process will identify the best value offeror determined to be the most highly qualified to enter into a long-term business relationship with The Army to operate each project. Selection will be based upon the qualifications exhibited by the offerors as outlined by the evaluation factors and upon the basis of best value to the government.

c. In Step One of the solicitation process, The Army will issue a RFQ, which establishes specific Minimum Experience Requirements (MERs) and seeks discussion of five general evaluation factors. The MERs have been established to address the skill sets of development, property management, and financial capability. Offerors who satisfy the MERs will be notified that they are eligible to submit their Statement of Qualifications (SOQs), Step One, Part (B). This first step of the RFQ process will identify those offerors determined to be highly qualified and thus eligible for further consideration for potential long-term business relationships. These highly qualified offerors will be selected based on their experience, financial capability, organizational capabilities (corporate level), past performance, and small business utilization (general history). These offerors will comprise a highly qualified competitive group.

Potential offerors who have qualified for inclusion in the highly qualified competitive group (competitive range) in any prior Army solicitation, with the same requirements as outlined in Section 4.2 below, may apply to waive the requirement to submit MERs and Step One and become automatically included in the highly qualified competitive group for this solicitation. Section 4.1.2.1 provides specific details regarding submission of waiver requests.

d. The RFQ will be utilized to establish a highly highly qualified competitive group for all of the installations identified in which three awards will be made: Project (1) Fort Knox with approximately 3,064 units; Project (2) Fort Leavenworth with 1,583 units; and Project (3) Redstone Arsenal with 457 units. Army Family Housing at Fort Riley, Kansas maybe added as an option at a later date. Note: Offerors are advised that the order in which the installations appear in this RFQ may not represent the order in which the Step Two presentations will be solicited. For example, Offerors should not assume that the installation that appears first above will be the first solicited for Step Two. After the highly qualified competitive group is identified, eligible offerors will be notified which installation will begin the Step Two process. Subsequent notifications will be provided after each award.

e. During Step Two of the RFQ process, offerors in the competitive group will compete sequentially on each project. Offerors may determine for which project (s): Fort Knox, Fort Leavenworth and/or Redstone Arsenal they will compete. Step Two submissions are expected to be in the form of an oral presentation with written documentation. The offerors may, without penalty, elect not to submit on a specific project. If an offeror competes for a project, the offeror must compete for the entire project and not individual sites within the project. The offeror will be evaluated based on their expected financial plan and return, specific preliminary project concept statement, organizational capabilities (on-site), and small business utilization and plan (on-site).

The offeror will be expected to identify, in detail, its plan to achieve the following goals for each project:

- 1) Ensuring that soldiers and their families have access to high quality, safe, attractive, and affordable housing by upgrading or replacing existing family

housing and, if necessary, by building new housing to meet the on-post family housing requirement at each installation.

- 2) Transforming existing military housing areas into planned and integrated residential communities which foster family lifestyles, while preserving the existing historic character and military culture of these properties, protecting cultural resources, and meeting environmental stewardship responsibilities.
- 3) Providing ancillary support facilities that enhance the installation's residential communities.
- 4) Maintaining positive relations with all stakeholders and communities that surround the installation.
- 5) Providing for the effective long-term, high quality management and operation of the family housing inventory, and ancillary supporting facilities.
- 6) Providing for realistic financial management of the assets including viable reserves and earning a mutually acceptable return on investment for the offeror and The Army.

f. To achieve these goals, the developer will be expected to assume ownership of the family housing units and will be provided a long-term interest in the underlying land.

g. Although the focus of the RCI Project is on family housing, the MHPI authorities also permit the construction of ancillary supporting facilities that relate to and support the residential nature of military family communities. Such facilities may include tot lots, community centers, housing offices, and other similar facilities for the support of Army family housing.

h. The privatization partner's return on the project is expected to come from developing, operating, and managing existing, renovated, and newly constructed housing units. The privatization partner's main source of revenue will be rents paid by military service members, and will not exceed their Basic Allowance for Housing (BAH).

i. Recognizing the complexity and breadth of issues that arise in planning and executing a project of the size and scope of a military family housing community, the project will be organized into two phases:

- 1) **Phase 1 – Project Planning.** During Phase 1, the awardee ("developer") will work closely with The Army to craft a Community Development and Management Plan (CDMP). This will be the business plan for each project and will set forth the terms

of the developer's long-term relationship with The Army. Payment for Phase 1 is discussed in Section 2.1.4 of this solicitation.

- 2) **Phase 2 – Project Implementation.** During Phase 2, the developer will implement the CDMP, provided the installation, Headquarters, Department of The Army (HQDA), Office of the Secretary of Defense (OSD), Office of Management and Budget (OMB), and the Congress approve the plan, and approval is given to consummate the CDMP and begin the transition / transfer of assets and operations.

j. At the installations, the developer ("privatization partner"), having been duly qualified as the best value for the Government to provide quality residential communities, may also be permitted to undertake a variety of other residential, barracks, and transient housing projects. Any future projects will be within the geographic boundaries of the installation(s) or their sub-installation(s) included within this solicitation.

k. A major benefit of the CDMP process is that it allows The Army, its associated consultants, and the developer to work through issues collaboratively, and to ensure that important issues are anticipated and addressed before executing the plan. It also provides an opportunity for The Army to consider proposals from the developer concerning the use of specific MHPI authorities, such as providing a loan guarantee or constructing certain ancillary supporting facilities. This process gives The Army a mechanism for periodically conferring with Congressional oversight committees during project planning, as well as with representatives from the local community and Army-related organizations who are essential to the success of the project.

## **1.2 Administrative Information**

### **1.2.1 Applicability of the Federal Acquisition Regulation (FAR)**

The Federal Acquisition Regulation (FAR) applies to Phase 1 of the project. Appendix E contains a listing of the FAR and Defense FAR Supplement (DFARS) clauses that apply to Phase 1. The Army considers the deliverable for Phase 1 to be a commercial item. (See FAR Part 12). Offerors should also take note of Section 6.0 of this RFQ, concerning additional terms and conditions that apply to the project.

### **1.2.2 Documents**

a. Prior to the submission date for Step Two of the RFQ, prospective offerors may review pertinent information regarding existing housing assets in the document rooms located at installations listed below. The point of contact for each installation is identified below.

b. All installations have Restricted Access. The program requests that offerors call the applicable RCI Project Officer to view the document room or to gain entry to the installation. To gain access, each visitor must provide a Social Security number and

photo identification, i.e., driver's license. Appointments must be made at least one week in advance.

- 1) **Fort Leavenworth:** To gain access to the site visit, each visitor must contact Ms. Connie Glenn by email at [Connie.Glenn@us.army.mil](mailto:Connie.Glenn@us.army.mil). For additional information, contact Ms. Hines at (334) 255-9230.
- 2) **Redstone Arsenal:** To gain access to the site visit, each visitor must contact Mr. Russell L Pearsall by email at [Russell.L.Pearsall@us.army.mil](mailto:Russell.L.Pearsall@us.army.mil). For additional information, contact Mr. Pearsall at (256) 955-8577
- 3) **Fort Knox:** To gain access to the site visit, each visitor must contact Ms. Emma Watson by e-mail at [Emma.Watson@us.army.mil](mailto:Emma.Watson@us.army.mil). For additional information, at (502) 624-8094.

### 1.2.3 Inquiries

a. The Army RCI website (<http://rci.army.mil>) contains the RFQ which may be viewed by clicking on the Central RFQ. Prospective offerors will be requested to register before viewing or downloading the solicitation at the US Army Corps of Engineer website link. Registered offerors will receive electronic notification when amendments to the solicitation are posted to the web page.

b. The Army will only respond to questions about the RFQ if they are received by electronic or facsimile medium. The Army will not reply to any question submitted later than 10 days prior to a submission deadline. All comments or questions by e-mail should be directed to [tracy.fetchik@usace.army.mil](mailto:tracy.fetchik@usace.army.mil). If by facsimile, comments or questions should be directed to Tracy Fetchik at (301) 677-3005. Army responses to questions will be issued in the form of an amendment to the RFQ and can be found at <http://rci.army.mil>.

### 1.2.4 Industry Forum

An Industry Forum was held on 11 & 12 March 2004 in Louisville, Kentucky for these projects. The forum included an RCI program overview, RFQ procurement process overview, and installation presentations. Specific information can be found at the RCI website at <http://rci.army.mil>.

### 1.2.5 Site Visits:



Opportunities for site visits will be provided on the following dates:

July 22, 2004

Fort Leavenworth

July 13, 2004

Redstone Arsenal

March 11, 2004

Fort Knox

## **2.0 WORK STATEMENT**

### **2.1 Phase 1 – Project Planning**

a. The project will occur in two phases. During Phase 1, the developer will work closely with The Army to craft a CDMP that is acceptable to the Government and that offers the best value for the military family housing at each installation. The CDMP process is expected to require no more than six months of coordinated, intensive effort between The Army and the developer. The CDMP coordination will take place at the installation.

b. The deliverable is the CDMP and must be in Microsoft Word Format (No Exceptions). The CDMP consists of three main components acceptable to the Government:

- 1) Financial Plan and Transactional Instruments (to include a Small Business Plan)
- 2) Development Plan
- 3) Operations, Maintenance, and Property Management Plan

c. As part of the financial plan, a transition budget will be developed that identifies those items that are considered to be reimbursable during the period from CDMP acceptance to transition/financial closing.

d. The CDMP will be provided in sufficient detail so as to allow the specific installation, US Army (USA) Installation Management Agency (IMA), IMA Regional Office and Headquarters, Department of Army (HQDA) to make a determination as to the CDMP effectiveness. An outline of the CDMP can be found at Appendix G. A general description of these components is provided below. The Army and developer will establish specific elements for each component jointly during Phase 1.

e. During Phase 1 – Project Planning, the developer may be allowed access to facilities or space on the installation to use as office space. The developer may modify or tailor the identified space or facility to meet its own needs at its own expense. During Phase 1, the developer may be permitted to physically test its pro-forma estimates at its own expense provided the developer complies with appropriate laws, regulations, and policies.

#### **2.1.1 CDMP Development Plan**

a. The development plan will address all aspects of the development effort at each installation with a specific focus on long-term master planning and environmental stewardship. Renovation and construction of housing units and / or ancillary facilities, if approved, is expected to take place over the life of the project.

b. At a minimum, the development plan will specify the number, type, and size (e.g., three-bedroom, four-bedroom, etc.) of housing units that are to be renovated, rehabilitated, or newly constructed in each neighborhood within the family housing community. The plan will indicate the life cycle (50-year) schedule under which the renovation and new construction will occur. In the development plan, the developer will be expected to provide proposed land-use maps, model floor plans, and exterior architectural sketch renderings of the proposed housing. The plan will specify appropriate performance standards and incentives to ensure sufficient attention to design, construction, and finish standards and details to achieve planned completion schedules and budgets.

c. A development plan that attempts to satisfy only the minimums expressed in paragraph b above will be deemed unacceptable. The Army expects the developer to employ its expertise to craft a plan that goes beyond the minimums and takes full advantage of the assets and revenues for benefit of soldiers and their families.

d. **Fort Leavenworth:** A comparison with current Army family housing standards suggests that more than 77% of the 1,583 existing housing units will need major renovation or replacement within the first 10 years of the Fort Leavenworth project. In addition, all housing must reach an adequate condition within ten years of transfer of operations. Life-cycle renovation or replacement of the inventory will take place during the course of the Fort Leavenworth project on a schedule to be agreed upon by The Army and the developer. The draft Family Housing Market Analysis (FHMA) dated May 02, identifies a requirement for 1583 military housing units (1211 officers, 372 enlisted) at Fort Leavenworth. The HMA is further broken down by bedroom category - 1141 three bedroom, and 442 four or more bedroom. Fort Leavenworth proposes that their privatization partner consider these requirements while preparing a scope that can be supported by project economics. Fort Leavenworth has 269 historical housing units.

e. **Redstone Arsenal:** A comparison with current Army family housing standards suggests that more than 50% of the 457 existing housing units will need major renovation or replacement within the first 5 years of the Redstone Arsenal project. In addition, all housing must reach an adequate condition within ten years of transfer of operations. Life-cycle renovation or replacement of the inventory will take place during the course of the Redstone Arsenal project on a schedule to be agreed upon by The Army and the developer. The Family Housing Market Analysis (FHMA) conducted in Dec 2003, identifies a requirement for 230 military housing units at the end of the 17<sup>th</sup> year (58 officers, 172 enlisted) at Redstone Arsenal. The HMA is further broken down by bedroom category – 167 three bedroom, and 63 four or more bedroom. Redstone Arsenal proposes that their privatization partner consider these requirements while

preparing a scope that can be supported by project economics. Redstone Arsenal has no historical housing units.

f. **Fort Knox:** A comparison with current Army family housing standards suggests that more than 80% of the 3,024 projected housing units conveyed will need major renovation or replacement within the first 10 years of the Fort Knox, Kentucky project. In addition, all housing must reach an adequate condition within ten years of transfer of operations. Life-cycle renovation or replacement of the inventory will take place during the course of the Fort Knox project on a schedule to be agreed upon by The Army and the developer. The Family Housing Market Analysis (FHMA) (conducted in 2001 with Final report in Oct 2003) identifies a requirement for 2527 military housing units (324 officers, 2203 enlisted) at Fort Knox. The Housing Market Analysis (HMA) is further broken down by bedroom category - 2118 three bedroom, and 409 four or more bedroom. Fort Knox proposes that their privatization partner consider these requirements while preparing a scope that can be supported by project economics. Fort Knox has 202 units that are listed on the National Register of Historic Places or have been determined to be eligible for listing.

g. The following is a breakdown of the current inventory of the three (3) Central projects:

	<u>INADEQUATE</u>	<u>ADEQUATE</u>	<u>INVENTORY</u>
<b>Fort Leavenworth</b>	1,209	353	1,583
<b>Redstone Arsenal</b>	0	457	457
<b>Fort Knox</b>	2,521	503	3,024
<b>Total</b>	<b>3,730</b>	<b>1,313</b>	<b>5,064</b>

h. Life-cycle renovation or replacement of the inventory will take place during the course of the project on a schedule to be agreed upon by The Army and the developer. Expansion of housing stocks beyond the on-post requirement will not be authorized. Should there be a need for additional housing in the future, applicable housing analyses will be conducted to determine necessary adjustments to on-post family housing needs. In the future, the government may contract with a third party to conduct periodic market analyses aimed at determining necessary adjustments to on-post family housing needs. The potential for adjustments to the inventories, and subsequent actions / procedures, will be addressed in the CDMP.

i. To further The Army's goals, The Army may authorize the developer to construct and operate one or more ancillary supporting facilities (e.g., tot lots, community centers, day care centers, etc.) that relate to and support the family housing community and complement business operations in the local community. However, such facilities may not be in direct competition with the activities of the Boards of Directors for Army Morale Welfare and Recreation (MWR) organizations, The Army and Air Force Exchange Service (AAFES), and the Defense Commissary Agency (DeCA) without the approval of these organizations. In the CDMP, the developer will be expected to include the type, size, location, and features of each ancillary supporting facility they propose to build and operate in the residential housing community. However, the developer is not required to take ownership and operational responsibility for any existing ancillary supporting facilities other than playgrounds, ball fields, etc., located specifically in the housing

areas. Developers should take care to differentiate between ancillary facilities that are housing-related and funded by the BAH revenue stream versus commercial/retail/MWR activities that generate revenue. See process 2.1.1.j.

j. The steps below outline the process to follow during the CDMP development to request approval for a private commercial or retail activity / hub, or a facility or service that falls in the area of MWR. The developer must be aware that private competition on a military installation with AAFES, DeCA and MWR is limited by Section 2881 of Title 10, United States Code.

1) The developer must work with the Installation Commander (or his / her staff, if so directed) to determine requirements.

2) The developer must submit a letter (as soon as the requirement is known) to the Installation Commander who will then endorse the request and forward it through Army channels to the OASA (M&RA) of their intent to contact the relevant commander(s) of MWR, AAFES, or DeCA Commissaries. The letter is intended to seek approval for private revenue or non-revenue producing activities, hubs, centers, facilities, or services. Approval authority for these types of activities is vested with the OASA (M&RA).

ADDRESS:

Assistant Secretary of The Army (Manpower and Reserve Affairs)  
111 Army Pentagon  
Washington, DC 20310-0111

3) The developer is responsible for working with the Commanders of AAFES, DeCA, and / or US Army Community and Family Support Center (CFSC) on specified types of ancillary support projects. The developer will submit command approved final proposals regarding construction and maintenance of revenue producing and non-revenue producing endeavors related to these programs, through the commander(s) of AAFES, DeCA and / or CFSC to OASA (M&RA). OASA (M&RA) has final jurisdictional authority to approve the developer's proposed revenue-producing and non-revenue producing endeavors, and the OASA (M&RA) will inform the RCI Director of the decision on the proposed requirement, terms and scope.

k. The Army will prepare an Environmental Baseline Survey (EBS) and National Environmental Policy Act (NEPA) documentation in support of the RCI program for the installations and housing areas included in this RFQ. The selected developer will be provided draft and final EBS and NEPA documents, as they are prepared. These documents will be used in the preparation of the CDMP. The Army will also perform and document all necessary coordination/consultations pursuant to Section 106 of the National Historic Preservation Act and Section 7 of the Endangered Species Act and document these efforts for inclusion in the CDMP. The cost for performing additional site characterization or preparing additional environmental documentation to the extent necessary to obtain project financing will be the responsibility of the selected developer.

The Army will disclose the information that it has collected on existing environmental hazards through the NEPA and EBS documents and the preparation of the Finding of Suitability to Transfer (FOST) and Finding of Suitability to Lease (FOSL). Upon implementation of the CDMP, the selected developer will assume agreed upon oversight and management responsibilities for mitigation and remediation of any identified environmental hazards (e.g. asbestos, lead, Paris green, chlordane, PCBs, etc.) using project funds.

- l. The CDMP will include a subcontracting plan describing the developer's standards for selecting subcontractors to work on the project, and will provide details about the developer's goals for subcontracting with small businesses. Developers will be expected to outline plans and schedules for conducting small business outreach events.
- m. The CDMP will specify schedules for the performance of all development activities related to the project.

### **2.1.2 CDMP Financial Plan and Transactional Instruments**

The financial plan and transactional instruments will describe the offeror's plan for financing projected long-and short-term expenses associated with the project, and the transactional instruments required executing the project. At a minimum, this plan will include:

- 1) An integrated financial pro-forma analysis covering expected income and expenses over the life of the project, including that which is necessary to ensure quality long-term operation, maintenance, and property management for the residential community. The pro forma analysis will incorporate development and operational elements.
- 2) A detailed statement of sources and uses of funds and cash flows, identifying any applicable MHPI financial tools that the offeror proposes to use in conjunction with the project.
- 3) Drafts of legal documents describing the relationship between The Army and offeror, and the rights and obligations of each party for implementing the project (e.g., drafts of limited partnership agreement, ground lease, management and incentive agreements, government loan, and guarantee instruments and / or other appropriate instruments).
- 4) A transition budget specifying reimbursable items and the timeline for the transition to project implementation.

### **2.1.3 CDMP Operations, Maintenance, and Property Management Plan**

The operations, maintenance, and property management plan will describe the offeror's concept, and approach to, operating, maintaining, and managing the family housing residential community. At a minimum, the plan will specify appropriate performance standards and incentives designed to ensure that the residential community, including historic district areas if applicable, is effectively operated, managed and maintained at high levels of quality and repair. Compliance with Section 106 of the National Historic Preservation Act and Section 7 of the Endangered Species Act is required. Compliance with applicable local, state, and Federal environmental regulations is required. The operations, maintenance, and property management plan should also describe the offeror's strategy for making capital improvements to the residential community throughout the life of the project.

### **2.1.4 Completion of Phase 1 – Project Planning**

a. The Army will pay the developer a fixed sum of \$350,000 upon completion of the project's Phase 1, as described in Appendix E. CDMP completion is defined by the acceptance of the CDMP by the installation, HQDA, OSD, OMB, and the Congress. In return for this payment, The Army will be granted full and unlimited rights to use the CDMP, including the right to provide the CDMP to other developers in this or other military housing privatization projects. At this point, the contract will be complete and the developer will have no right, title, or interest in Phase 2 by virtue of its participation in Phase 1.

b. If The Army and developer are unable to reach agreement on the CDMP, or the plan is not otherwise acceptable to The Army, or the offeror fails to provide the CDMP within the agreed time, The Army may terminate the developer's work on the project. Termination under this paragraph will be deemed a termination for cause. At its own discretion, The Army may continue to proceed with the project by working with another developer deemed most advantageous to the government or by seeking new RFQ responses. Therefore, offerors within the competitive group are requested to keep their responses to this RFQ open for 12 months (365 calendar days) following the CDMP contract award.

### **2.2 Phase 2 – Project Implementation**

a. The Army desires to have the successful CDMP developer implement the approved plan. Once the installation, HQDA, OSD, OMB, and the Congress approve the CDMP, the developer and installation may be given approval to begin transition toward project implementation. Once the CDMP is accepted The Army expects transition to project implementation to occur within 90 days or less. Inability to transition in a timely manner may be justification for offering the implementation opportunity to another development entity. This approval will mark the beginning of Phase 2 of the project. During Phase 2, the developer will implement the approved CDMP. The Army, in conjunction with other agencies who have a vested interest in the land, will transfer ownership of the existing

housing units and provide an appropriate interest in the underlying land to the developer to facilitate implementation in a manner consistent with the approved CDMP and with prudent business practices.

b. The privatization partner should not expect, and will not be compensated by the Government for costs they incur following submission of the CDMP and payment of the contracted price. Additional costs to the offeror may arise between CDMP submission, acceptance and financial closing. These costs remain the sole obligation of the implementation privatization partner regardless of the amount and purpose and will not be reimbursed through appropriated funds. During negotiation of the CDMP, The Army and the successful offeror will develop a transition period budget to identify those transition costs which may be reimbursed by the project at closing. The CDMP is not considered accepted until acceptance by Congress. The 90-day timeline for the transition, prior to transfer of assets and operations, must provide specific implementation details.

### **3.0 MILITARY HOUSING PRIVATIZATION INITIATIVE (MHPI) LEGISLATION**

The MHPI legislation (10 U.S.C. §§ 2871-2885) provides special authorities for the construction and improvement of military housing. It was specifically enacted to enable the Military Services to leverage housing assets (land and buildings) and limited financial resources in an effort to obtain private sector capital and expertise to improve the quality of life for Service Members and their families.

#### **3.1 MHPI Authorities**

The MHPI provides four main financing tools that can be used together or separately. This summary is provided to help the offeror gain a general understanding of the MHPI legislation, but reference should be made to the actual MHPI language in order to fully understand this law. The offeror should consider the effect of OMB scoring on each financing tool (information on OMB scoring can be found in Section 3.3).

##### **3.1.1 Direct Loans and Guarantees**

The Secretary of The Army can provide direct loans to private firms in the form of second mortgages when external financing is not adequate to make a project financially feasible. Loan guarantees can be used to help a developer obtain private sector financing by reducing project risks that are specific to military installations, such as base closure, downsizing, or extended deployments. The selected developer will be expected to assume normal business and market risks, such as construction delays.

##### **3.1.2 Conveyance or Lease of Existing Property and Facilities**

The Army can convey housing and related facilities and lease existing Army land to the developer for the purposes of privatizing military family housing in Fort Knox, Fort Leavenworth and Redstone Arsenal.

### **3.1.3 Differential Lease Payments**

The Army can enter into an agreement to pay a rent subsidy to the developer. However, this authority will be used only in unusual cases such as, when the total income stream is insufficient to ensure a reasonable return on investment.

### **3.1.4 Investments**

The Army can make investments in nongovernmental entities carrying out authorized housing privatization activities. Such investments may take the form of acquiring a limited partnership interest, purchasing stock or other equity instruments, purchasing bonds or other debt instruments, or any combination of these. The Army's cash contribution is limited to one-third (33 1/3 percent) of the project's capital cost. If land and facilities are leased and conveyed, respectively, to the developer as part of the investment, the value of the land and facilities together with any cash contribution cannot exceed 45 percent of the project's total capital cost.

## **3.2 Other Provisions and Considerations**

### **3.2.1 Local Standards**

The MHPI legislation allows developers to build housing to local market standards and exempts the project from all MILCON standards, such as statutory square-footage standards for various military pay grades. However, if one submission proposes to provide a higher level of quality than another, the higher quality submission would receive a more favorable evaluation. In addition, The Army has developed RCI Standards for New and Replacement Construction that should serve as a baseline during project development. These standards are available at <http://rci.army.mil>.

### **3.2.2 Basic Allowance for Housing (BAH)**

The BAH is a monetary entitlement granted to service members who live in non-government housing. The service member's BAH includes a utilities component, insurance component, and rent component. The developer's responsibility for utility costs is described below in the "Utilities" paragraph. Service members will use this allowance to pay rent to the developer for housing that is developed and managed under this program. Under current Army policy, rents for on-post housing under this program (including a reasonable amount allocated to cover average utility usage and renter's insurance) must not exceed the soldier's BAH. The developer will be required to set rents in accordance with this policy. Revisions to the BAH rate are processed annually and are based on market surveys and other cost indicators of the local housing market, but are subject to Congressional approval. Revisions to the individual BAH entitlement are processed on a continual basis based on changes in the service member's rank, etc. For more information on the BAH system, refer to the following website: <http://www.dtic.mil/perdiem/pdrates.html>.



### **3.2.3 Mandatory Allotments and Assignments**

The MHPI legislation also enables The Army to mandate housing allotments (i.e., automatic payment deductions from the service member's pay for rent payments) and to mandate housing assignments (i.e., require service members to live in Army housing). The Army does not intend to use mandatory housing assignments. Rather, the development partner should market these housing units to attract service members and their families as in the private market. The Army will use a third party vendor to transfer the service member's BAH via allotment once the member elects to live in the privatized housing. The cost of this third party allotment management is borne by the project.

### **3.2.4 Non-Military Renters**

In the event that The Army and the other services' requirement for the housing diminishes, non-military members may be allowed to occupy privatized housing. Together with the developer during the CDMP development, The Army will establish a priority order of assignment much like that in Army Regulation (AR) 210-50 and the current minimum-vacancy threshold for military renters that must be exceeded before non-military tenants are allowed. If allowed, non-military tenants will likely pay market rent plus utilities and insurance; however, this will be addressed during the CDMP development. If non-military tenants are allowed, arrangements for access to the installation during times of heightened security will be addressed during the development of the CDMP.

### **3.2.5 Real Estate Taxes**

The developer will be responsible for any real estate or other *ad valorem* taxes assessed on the project. The requirement to pay local real estate or other *ad valorem* taxes will vary from locality to locality. Each prospective developer must make its own assessment of the likelihood that the project will be required to pay such taxes. Any agreement between The Army and the selected developer reached as a result of this RFQ will not relieve the developer of the obligation to pay taxes if required by appropriate law.

### **3.2.6 Ancillary Supporting Facilities**

Housing projects developed under this legislation can include facilities related to military housing units, including tot lots, community centers, housing offices, and other similar facilities for the support of military family housing. Final approval authority for such facilities related to MWR, AAFES, or DeCA rests with the OASA (M&RA). Instructions to request approval for such facilities can be found in section 2.1.1 (j).

### **3.2.7 Utilities**

a. The developer will be responsible for all costs of utilities provided to common areas of the project and all vacant units during the entire project period. Further, the developer will be responsible for all utilities in occupied housing units covered by the project until: (1) the units have been renovated or replaced, (2) utility meters (electric, gas, and / or oil) are installed on individual homes, and (3) a 12-month consumption record has been established. When these three (3) conditions are met in an entire housing area and appropriate notice is provided to the service member occupant, the service member will become responsible for the cost of utilities (electric, gas, and / or oil, and potentially water) for his residence.

b. After consumption records have been established, an average utility consumption cost will be determined for each housing unit type. The service member will then receive this amount from his BAH and be responsible for paying utilities. Should the utility costs exceed the service member's identified utility allowance, the service member will be responsible to pay that amount from basic pay. If the utility bill is less than the calculated allowance, the service member retains those funds. The remainder of the service member's BAH will go to the selected developer as rent. The developer should plan to implement energy efficiency improvements and meter all the housing units as soon as practicable (e.g., new and renovated units) but no later than the end of year ten (10) of the project at which time all residents will be responsible for their utilities. Details of utility costs and allowances will be developed during the CDMF process.

c. The developers will be responsible to coordinate with the installation Directorate of Public Works and the owner of any privatized utility infrastructures on the installation to identify rights and responsibilities with infrastructure requirements and cost of capital improvements to the distribution systems

### **3.3 Office of Management and Budget (OMB) Scoring**

Each MHPI agreement entered into by The Army with a private developer may be "scored" by OMB for budget purposes prior to approving the CDMF. Scoring is an accounting convention that measures the value of a potential future financial obligation of The Army, recognizes it for budget purposes, and records it as a Department of Army obligation at the time an agreement is signed. Sufficient appropriations must be available to cover the scored amount for each agreement. Therefore, OMB scoring rules may affect the attractiveness of using available MHPI tools in conjunction with Army housing privatization project. OMB guidelines on scoring are provided in Appendix H. The effect of OMB scoring should be taken into account when considering how best to leverage The Army's assets at the installation.

### **4.0 CONTRACTOR SELECTION PROCESS**

In Step One, offerors who satisfy the MERs, as determined by the Government, shall be eligible to submit a complete Statement of Qualifications (SOQ) (See Section 4.3). The Army will evaluate this information in accordance with the process, procedures, and

evaluation factors set forth in this RFQ. An offeror's submission must first demonstrate satisfaction of the Minimum Experience Requirements. The Evaluation Team's assessment of responses to Sections 4.3.1 through 4.3.5 will establish a highly qualified competitive group of offerors. The offerors selected for the highly qualified competitive group will be the firms whose submissions, in The Army's judgment, are determined to be highly qualified and thus eligible for further consideration for potential long-term business relationships designed to achieve the goal of improving military housing communities. In addition, potential offerors who have qualified for inclusion in the highly qualified competitive group in any prior Army solicitation, with the same requirements as outlined in Section 4.2 below, may waive the requirement to submit MERs and Step One and are automatically eligible to compete on this solicitation. Section 4.1.2.1 provides specific details regarding submission of waiver requests. In Step Two, offerors will compete based upon oral presentations and include written documentation. Final selection will be based upon the qualifications exhibited by the offerors as outlined by the evaluation factors and upon the basis of best value to the Government. The Army reserves the right, however, to reject all responses to the RFQ and re-solicit.

## **STEP ONE**

### **4.1 Information Request Instructions**

a. Both single-firm offerors and joint venture offerors are required to furnish information to The Army in accordance with the instructions provided below. For the purposes of this RFQ, a single-firm offeror would manage the project under the direction of a single principal member (defined below). By contrast, a joint venture is a single business entity such as a partnership, Limited Liability Company or other legal entity consisting of two or more principal members. A legally capable partnership (joint venture) can also include one or more members of the partnership that is a 501c3 corporation or other non-profit organization. The percentage of ownership of each of the principal members of the joint venture should be specifically identified. This language is intended to illustrate one means by which a tax-exempt entity may participate in the process, i.e. as a member of a joint venture. However, this language does not prevent an entity, which is capable of meeting the MERs outlined in the RFQ, from submitting a proposal as a single offeror. To compete for this requirement, a joint venture must commit to work with The Army as a single business entity. The offeror will be required to provide information concerning both the joint venture itself, as a single business entity, and on the joint venture's principal members. An offeror should have a formally established legal single business entity or it may be excluded from further consideration.

b. The term "principal member" means a legal entity that has an identified ownership interest in the single business entity that is responding to this RFQ. In this RFQ, the term "offeror" is synonymous with "single business entity". The principal member concept allows newly formed joint ventures to compete based on the experience of their principal members. Additional information on this aspect of The Army's evaluation is provided in Section 4.5.1. However, only experience of principal members will be used to evaluate any proposals. Single business entities planning to use a non-profit

structure are advised to clearly demonstrate the experience of each principal member. Offerors who attempt to change principal members during the solicitation process may cause a negative impact on their submission.

#### **4.1.1 Submission Instructions**

a. Minimum Experience Requirements (MERs) must be no more than five (5) pages in length, be signed, and submitted in a clearly identified original hardcopy version (plus five copies), and provided electronically on compact disk (CD). Executive Order 13101 (Greening the Government through Waste Prevention, Recycling, and Federal Acquisition) must be followed for submission of hard copy proposals. Executive Order 13101 is included at Appendix F. The MERs must be produced in Microsoft™ Word (no exceptions), 8 ½" x 11" format (no exceptions), Arial font 12 point. Tables, charts, and 3<sup>rd</sup> party documentation may be in any format, type and size format. Third party generated documents may be reproduced without format change and entered on the CD using any readily available format. The Army must receive signed submissions no later than June 28, 2004 at 1500 hrs (3:00 PM), Eastern Standard Time (ET) to the location specified in Section 4.1.1.2.

b. Statement of Qualifications. Offerors who are notified that they are eligible to submit an SOQ because they meet the MERs will be provided a minimum of 30 calendar days to prepare and submit their SOQ. The SOQ, as well as completed representations and certifications required from Appendix E and paragraph 7.0 of the RFQ should be submitted in a clearly identified original hardcopy version (plus five copies), and provided electronically on compact disk (CD).

c. The Statement of Qualifications and required representations must be produced in Microsoft™ Word (no exceptions), 8 ½" x 11" format (no exceptions), Arial font 12 point. Spreadsheets must be produced in Microsoft™ Excel (no exceptions), 8 ½" X 11" format (no exceptions). Tables, charts, and 3<sup>rd</sup> party documentation may be in any format, type and size format. A table in 11" x 17" page format will count as one (1) page. Third party generated documents may be reproduced without format change and entered on the CD using any readily available format. Submissions failing to arrive by the established deadline will be disqualified and not be evaluated as outlined in Appendix E, FAR Clause 52.212-1.

d. The Government requests the Data Universal numbering System (DUNS) Number (<http://www.dnb.com>) for the single business entity at time of award, however as a minimum at Step One, Part B, the Offeror shall provide the DUNS number of at least one principal member at time of submission.

e. To be eligible for Department of Defense (DOD) contract award, offerors must be registered with the Department of Defense Central Contractor Registry, which can be accomplished through <http://www.ccr.gov>.

f. Executive Order 13101 (Greening the Government through Waste Prevention, Recycling, and Federal Acquisition) must be followed for submission of hard copy proposals. Executive Order 13101 is included at Appendix F.

#### **4.1.1.2 Submission Delivery Instructions**

If sent by U.S. Mail:

Army RCI Office  
US Army Corps of Engineers, Baltimore District  
Attn: Tracy Fetchik, CENAB-CT  
PO Box 1715  
Baltimore, MD 21201-1715  
Reference: RFQ No. W912DR-04-R-0012

If Hand carried (or sent via overnight delivery):

Army RCI Office  
US Army Corps of Engineers, Baltimore District  
Attn: Tracy Fetchik, CENAB-CT  
10 South Howard Street, Room 7000  
Baltimore, MD 21201  
Reference: RFQ No. W912DR-04-R-0012

#### **4.1.2 Submission of Step One, Part A (Minimum Experience Requirements)**

The Minimum Experience Requirements (MERs), (Part A) Section 4.2, information shall stand alone in determining an offeror's ability to satisfy the MERs. This information serves to insure that offerors meet a basic level of experience prior to being further evaluated. Submissions for the MERs shall not exceed a total of five (5) single-spaced pages. Page tabs shall not be used in Part A. Information beyond five pages will not be considered. The offeror's cover page, table of contents, acronym list or transmittal letter will not count toward the page count for the MERs. This information serves to insure that offerors meet a basic level of experience prior to being further evaluated. Only the information contained in Part A will be considered in determining if an offeror meets the MER. However, information in Part A will be considered when evaluating Part B.

##### **4.1.2.1 Waiver of MER and Step One Submission**

The Army recognizes that its RCI solicitations include a Step One selection process that remains fairly constant. Providing a mechanism to allow certain previously qualified offerors to avoid submitting duplicative documentation for Step One can enhance Offeror and Army efficiency. Current potential Offerors who have qualified for inclusion in the competitive group in any prior Army RCI solicitation, with the same requirements as outlined in section 4.2 below, and whose composition of principal members includes at least the same principal members (with the same responsibilities) since inclusion within that competitive group or award, may waive the requirement to submit MERs and

Step One and are automatically eligible to compete on this solicitation. An offeror who wishes to apply for waiver under this paragraph shall submit a one-page statement in lieu of; to the location for; and at the time of the submission deadline for MERs documenting how it fulfills the requirements for waiver of the need for Step One submission. (Waiver applicants are encouraged to specify the exact solicitation or project and the exact team (identifying relevant principal members) that will satisfy this paragraph). The Army, in its sole discretion, will determine whether the offeror fulfills the requirements of this paragraph. The Army will notify the offeror at the time of MER notifications whether or not the offeror satisfies this paragraph. Offerors not qualifying for a waiver will be asked to submit Step One information in accordance with this solicitation. If known, the offeror is requested to list those installations on which it plans to bid. Offerors are under no obligation beyond that normally required in this RFQ.

#### **4.1.3 Submission of Step One, Part B (Statement of Qualifications (SOQ))**

- a. Only those Offerors satisfying the MERs will be eligible to submit a Statement of Qualifications (SOQs). SOQs will not be accepted from offerors the Government determines do not meet the MERs.
- b. The Statement of Qualifications (SOQ), Part B, should be submitted in sufficient detail to:
  - 1) Permit the Evaluation Team and Source Selection Authority (SSA) to reach a reasonable judgment regarding the offeror's qualifications.
  - 2) Distinguish the offeror from other candidates.
- c. Step, Part B, submissions are limited to a total of 75 single-spaced pages, including tables or charts where appropriate. The following are not included in the 75-page limit: blank tab pages, tables of contents, transmittal letter, information requested in Section 4.2 (Minimum Experience Requirements); audited financial statement(s) (or 10K(s) if the entity is publicly owned) requested under Section 4.3.3; signed Section 7.0; and "Offeror Representations and Certifications" requested in Appendix E.
- d. Submittals exceeding the 75 single-spaced page limitation will result in the information provided on pages over the 75-page limit not being considered.

### **PART (A)**

#### **4.2 Minimum Experience Requirements (MERs)**

- a. The single-firm offeror or a principal member in a joint venture must submit a list of projects with sufficient detail to demonstrate satisfaction of the below listed MERs. This information shall stand alone in determining an offeror's ability to satisfy the MERs. Questions, which may arise as to the interpretation of the requirements of

Section 4.2, should be resolved with the Contracting Officer prior to responding to the MERs. An offer that fails to satisfy the MERs will not be eligible for further consideration and will be eliminated from competition. One principal member must meet MER 1, one principal member must meet MER 2, and one principal member must meet MER 3, although each need not be the same principal member. The MERs are:

- 1) The offeror has, within the past ten (10) years, served as the primary developer and principal sponsor (with an ownership interest) in at least three (3) completed development projects, or completed project phases, each of which included a residential component consisting of a minimum of 350 units of multi-family *low rise* (three stories or less), attached or detached family housing units. A phase or project is completed if at least 350 units have received a certificate of occupancy or similar occupancy permit and lease up has begun.
  - 2) The offeror has, within the past ten (10) years provided property management and asset management for at least three (3) major residential projects, each of which included a rental residential component of at least 350 units. These managed residential projects do not have to be the same projects discussed in number 1, above.
  - 3) The offeror has, within the past ten (10) years, structured, arranged, and managed the capital formation (see Glossary, Appendix J) including, equity and both short and long term debt, for at least three (3) completed residential projects or completed project phases, each resulting in actual development costs of at least \$30 million. It is acceptable to inflate historical development costs to current dollars using a commonly accepted inflation factor. The source of the inflation factor shall be identified including the computations and the actual costs incurred. A phase or project is completed if at least 350 units have received a certificate of occupancy or similar occupancy permit and lease-up has begun. These financed residential projects do not have to be the same projects discussed in number 1 and 2, above.
- b. In this section 4.2, an offeror may satisfy the MERs to compete on the potential Redstone Arsenal project by demonstrating satisfaction of a.1. above using 100 units, by demonstrating satisfaction of a.2. above using 100 units, and by demonstrating satisfaction of a.3. above using \$10 Million and 100 units

## **PART (B)**

### **4.3 Statement of Qualifications**

The Statement of Qualifications (Step One. Part B of this RFQ) should include the following information:

#### **4.3.1 Experience**

a. An offeror should provide a list of all-major real estate development projects completed and real estate projects currently being managed by its principal members relevant to residential communities. This list may include projects noted in the MERs list. For each major development project listed, include a brief description of the project, including its name, size (dollar value/number of units), type (single family, town homes, apartment complex, etc), nature of construction (whether new construction, moderate rehabilitation, substantial rehabilitation or redevelopment) and location.

b. In addition, for the five (5) most relevant projects to the development of Army family housing communities, provide information as indicated below in this Paragraph 4.3.1. The responsibility of the offeror is to determine which five example projects it considers most relevant to the RCI process. Relevant projects include, but are not limited to, those that a principal member currently owns and manages. Specific factors of importance to The Army include: new construction of attractive market rate housing; properties involving the rehabilitation of existing housing, including historic units, and the relocation of current tenants; properties needing to be made more market competitive; and properties that have been owned, managed, and financed for a long time (e.g. 10 years) which remain viable and competitive. The more recent a particular activity occurs, be it management, development, construction or other, the more it demonstrates current skill in that activity.

- 1) Name of Project
- 2) Location (address, city or town, county, state)
- 3) Land-Use Program/Phasing
- 4) Key Dates (for each project)
  - a. Date land acquired;
  - b. Date construction started/ended;
  - c. Date occupancy began; and
  - d. If applicable, date sold or refinanced



5) Project Economics and Finance

- a. Budget development costs, including “hard” and “soft” costs;
- b. Total development costs, including “hard” and “soft” costs;
- c. Financing, including debt (short- and long-term) and equity (developer and investors) financing;
- d. Description of ownership structure, including percentage of ownership by principal member;
- e. Occupancy rate (initial and sustained); and
- f. Contact information (names, addresses, e-mail addresses and telephone numbers) for all debt and equity sources (to be used for reference check).

6) Operation, Maintenance and Repair, and Property Management

- a. Scope of services provided;
- b. Customer service levels and standards of performance; and
- c. Operation, maintenance, and property management services and related standards of performance, including services provided for historic properties.

7) Issues Encountered and Resolved, such as

- a. Environmental activities and remediation (such as lead based paint, asbestos, radon, chlordane, mold, and underground storage tank analysis)
- b. Involvement in public approval and zoning processes;
- c. Historic preservation (including renovations, conversions and/or landscaping)
- d. Seismic mitigation
- e. Regulatory public approvals and entitlements
- f. Community concerns
- g. Quality Assurance/Control.

8) Strategic Partnering and Relationship Issues

- a. Details concerning cooperation with other business entities or organizations in projects involving long-term real estate management services

- b. Information regarding material disagreements with other participants, the offeror's approach to dispute resolution and how these disagreements were resolved and
- c. The offeror's experience (if any) with public-private housing partnerships involving affordability objectives regulations and subsidy funding or
- d. The offeror's experience (if any) working in partnerships, joint ventures, or other collaborations will be considered.

#### **4.3.2 Financial Capabilities**

- a. Provide documentation and statements relevant to the offeror or its appropriate principal member(s) as identified below. Among other things described in this RFQ, The Army is seeking a firm that demonstrates a strong financial structure. This can be demonstrated through audited financial statements. There is no minimum net worth requirement; however, total net worth is considered in the evaluation.
  - 1) Most recent three (3) years of Audited Financial Statements from the Company performing the work as well as the Parent or Holding Company of the entity must be provided:
    - a) The Financial Statements should be prepared in accordance with Generally Accepted Accounting Principles (GAAP) (See Note below) and
    - b) The Financial Auditor must be a nationally recognized firm in the accounting industry. Contact information should also be provided.

**NOTE:** If a private company has not prepared audited financial statements in accordance with GAAP, the financial statements should be audited on the basis that they have been prepared (e.g. current value accounting) and an assertion as to their accuracy should be made by their auditor.

- 2) Payment and Performance (P&P) Bonding Capacity:
  - a) How is it derived and how much is available to the Company.
  - b) In the event that an alternative to bonding is being proposed provide information on the alternative and explain how it better protects the government's interests versus P & P bonds.
- 3) The financial statements and other financial information submitted will be reviewed individually. The review will include a financial ratio analysis, i.e. debt to equity, current assets to current liabilities, debt coverage ratio, etc. A primary focus of the financial statement review will be off balance sheet liabilities, guarantees and contingent liabilities provided by the entity as well as a review of the current value assessment of the assets held by the entity. The proposal

should also include contact information with the entity's independent accounting firm and permission to speak with this firm during the financial review.

- 4) Joint ventures should submit audited financial statements and documentation demonstrating financial capabilities and bonding capacity only for the single business entity itself, unless the single business entity has been newly formed for the project or if principal members of the single business entity will be independently responsible for financial commitments. In the latter cases, audited financial statements and documentation relating to financial capability and bonding capacity should be submitted for the single business entity and, individually, for all principal members of the offeror responsible for obtaining financing for the project.
  - 5) Economics of sharing arrangements between the principal members and investors, including identification of all sources of return to the owners and investors.
- b. All financial information submitted for this RFQ will be protected from public disclosure if the provider identifies and justifies the information as proprietary, and requests such protection at the time of submission. Information that is considered proprietary should be clearly marked as such on each page. Prospective developers should be aware; however, that The Army may share financial information with financial consultants assisting The Army with this initiative as well as Congressional committees, if requested by the committees as part of their legislative oversight function.

#### **4.3.3 Organizational Capabilities (Corporate Level)**

Provide basic background information on:

- 1) The offeror's history and background.
- 2) The status (e.g. limited liability company) and structure of the offeror's organization.
- 3) In the case of joint ventures, each principal member's appropriate history and background, assigned areas of responsibility, and any legally enforceable agreements or other mechanisms that will be relied on to ensure the offeror's successful long-term operation.
- 4) The offeror's resources available to plan, develop, redevelop, renovate, operate, manage and maintain large-scale, residential, rental development projects, including providing for their construction, financing, and long-term operation and protection of existing historic aesthetic values.

5) The (name, address, telephone number, and email address) of the key person who will be responsible for representing the offeror in all matters and for coordinating and integrating all functional elements of program requirements into seamless strategies, processes, and solutions throughout both the procurement phase and during the CDMP.

#### **4.3.4 Past Performance**

The Army uses an automated past performance data collection system. A printed version of that web-based data collection template is included at Appendix J. Offerors who meet the MERs will, during preparation of their Step One B submission, be provided with 50 unique individual control numbers that the offeror should provide to applicable references. Each reference who receives a control number will be able to use that number to access and provide input to the web-based past performance data collection system. Once a survey response is complete, that control number will identify that survey even if the same reference completes another survey on a future RFQ. The offeror is solely responsible for distributing control numbers to its references. The Army will not provide any information to Offerors regarding which reference has actually responded. The Army will not release survey responses under any circumstances.

PLEASE NOTE: Offerors approved for waiver (See Section 4.1.2.1) need not supply additional past performance information. Offerors have expressed concern that repeated requests for past performance input from their references is burdensome on those references. The Army concurs that this important process can be time consuming for each reference and that asking references to repeat surveys may tend to discourage their participation. In the past offerors have asked if responses that were previously submitted by references can be “re-used.” Business and software restraints limit the Army’s flexibility in this matter. However, the Army believes that it can accommodate by using the following procedure.

Offerors who want their past performance references to be limited to those whose control numbers were issued for this Central RFQ should follow the normal past performance directions. Past performance surveys completed in response to the Hawaii, Northeast II, Midwest or Southeast II RFQs may be used only if the principal members of the offeror on the Central RFQ are at least the same as the principal members that comprised the offeror for the Hawaii, Northeast II, Midwest or Southeast II RFQ respectively. An Offeror who qualifies (has at least the same principal members) and desires to use exclusively the past performance references that were submitted for the Hawaii, Northeast II, Midwest and/or Southeast II RFQs, must notify the Contract Specialist in writing no later than 4:00 p.m. E.T. five work days after successful MER notification that it wants its Hawaii, Northeast II, Midwest or Southeast II past performance responses to be used exclusively for this solicitation. An Offeror who qualifies and who desires to use Past Performance References from Hawaii, Northeast II, Midwest or Southeast II to supplement past performance responses for the Central Group RFQ must notify the Contract Specialist in writing no later than 4:00 p.m. E.T.

five work days after successful MER notification of the exact control numbers that relate to the past performance references from each set of responses. Offerors who combine groups shall not be permitted to exceed 50 control numbers total and will identify which group each control number relates to. The Army will ignore any control number beyond 50. The Army will not provide any information to Offerors regarding which reference has actually responded. The Army will not correct (and the Offeror is solely liable for) erroneous control numbers identified by an Offeror.

The offeror should:

- a. Provide names, titles, organizational affiliations, addresses, email address, fax, and telephone numbers of individuals who will serve as references for each of the five projects identified as most relevant to the development and management of Army family housing communities (those for which you provided information pursuant to Section 4.3.1). Your references should include: financial institutions, local government agencies, business partners, major customers, and major contractors.
- b. List any of the firm's (in the case of joint ventures, any principal member's) projects, over the last 10 years, in which (a) the ownership has been restructured due to adverse circumstances (including default, need for new capital renovations, material negative cash flow, change of controlling partner), (b) the management company has been replaced at the instigation of the owner, the lender, or a regulator, and/or (c) any action that has been commenced by a lender to replace, sanction, or suspend any of the principals from future participation in lending activities and describe the circumstances of such restructuring. If you have not had any projects restructured because of financial difficulties, provide an affirmative statement so indicating.
- c. List all material instances of litigation or formal Alternative Dispute Resolution (ADR) processes (e.g., binding arbitration) during the last ten (10) years and involving a claim in excess of \$50,000 to which each principal member has been a party relating to partnering, financial performance, and/or treatment of residents. For those matters involving a claim equal to or in excess of \$500,000, provide a detailed description of the litigation or ADR process.

#### **4.3.5 Small Business Utilization (General History)**

- a. Provide information concerning your offeror's use of small businesses that:
  - 1) Describes the offeror's documented policies relating to small business participation and the extent of participation of small businesses in your past and current projects. In case of a joint venture, information, regarding the use of small businesses on past projects, as stated above, should be provided separately for each principal member.

2) Provides a point of contact that can validate your use of small business subcontractors. This is required for each project performed within the last three years. If multiple subcontractors were on each project, a point of contact is only required for one subcontractor, to include small businesses, per project.

b. For your reference in providing this information, the term small business refers to Small Businesses, Small Disadvantaged Businesses, Women-Owned Small Businesses, Veteran-Owned Small Businesses and Service-Disabled Veteran-Owned Small Businesses. Information concerning the definition and size standards for small businesses may be found at 13 Code of Federal Regulations (CFR) Parts 121 and 124.

c. Although the above CFR section contains the accurate definition, in general, a small business is defined as an independently owned and operated business, not dominant in its field of operation and generally restricted by number of employees or average annual gross revenue. For instance, for many service industries, the firm must have less than \$5 million in average annual gross revenue over a three-year period to be considered small. For other service industries, the firm must employ less than 500 employees. A small disadvantaged business must, in addition to being small, also be at least 51 percent unconditionally and directly owned by one or more socially and economically disadvantaged individual(s) who is/are a citizen(s) of the United States. A woman-owned small business is a small business that is at least 51 percent owned and controlled by one or more women. A veteran-owned small business is a small business that is at least 51 percent owned and controlled by one or more veterans (as defined at 38 U.S.C.101 (2)) and management and daily business operations of which are controlled by one or more veterans. A service-disabled veteran-owned small business is a small business that is at least 51 percent owned and controlled by one or more service-disabled veterans (service-disabled veteran means a veteran with a disability that is service connected as defined in 38 U.S.C.101 (16)).

## **STEP TWO**

### **4.4 Submission of Step Two**

a. On the basis of responses to Sections 4.3.1 through 4.3.5, those offerors, determined to be highly qualified and thus eligible for further consideration for potential long-term business relationships designed to achieve the goal of improving military housing communities, will comprise an exclusive competitive group. For Step Two, offerors, who have been selected for the competitive group must supply information as outlined in the following sections. Offerors may avoid unnecessary expense by waiting to prepare Step Two until they are notified of their inclusion in the competitive group and advised by the solicitation amendment.

b. Only the offerors in the competitive group will be considered for Step Two of the RFQ. Responses to Step Two will be used to select a developer whose submission, in The Army's judgment, is determined to offer the best value for improving military family housing for the specific project.

c. Step Two submissions will be made in an oral presentation format with written documentation. The oral presentation allows offerors, among other things, to explain and display how they satisfy the Step 2 evaluation factors. The offeror's written portion of the oral presentation should detail the facts and information that is described and discussed during oral presentation period. The date, time, and location for the oral presentations will be provided to those firms within the highly qualified competitive group following the Step Two Amendment (see section 4.5.2). Offerors in the highly qualified competitive group who decline to participate in a specific Step Two Project remain eligible to participate in other projects in this solicitation.

d. Along with the Step Two submittals, offerors shall provide the legal jurisdiction under which the firm is organized and operating by submitting proof of existence as an established legal entity, providing a proper Data Universal Numbering System (DUNS) number (<http://www.dnb.com>) and providing a Commercial and Government Entity (CAGE) Code with the submission. Offerors not providing this information by Step Two, Part B will be considered unresponsive and eliminated from further consideration.

e. The offeror will be selected based on a four-factor evaluation during Step Two of the solicitation process. In Step Two, the offeror will be evaluated on its installation specific financial return, preliminary project concept statement, organizational capabilities (both on-site and off-site, including a detailed organizational chart and a description of operational, management, and financial controls), and small business utilization and plan (on-site). The details of the winning proposal will provide the baseline for negotiation of the CDMP.

#### **4.4.1 Project Finance**

a. The Army understands that rates of return differ based on a number of variables. For purposes of this solicitation, an industry standard range of fees for a typical project is provided at <http://rci.army.mil>. These cited fees will not be considered in isolation and will in no way be a determinant of actual fees or fee structures negotiated during the CDMP. Provision of these fee guidelines is for informational purposes only. The fee and equity structure included in the offeror's submittal will form the starting point for negotiations during the CDMP collaboration phase and is expected to form the ceiling for CDMP discussion purposes. Both the dollar and percentage amounts of fees in the offeror's submittal will be considered in the CDMP collaboration phase.

b. Provide a written statement, either in text or table form that addresses the following:

- 1) The firm's proposed fee structure and fee position, including incentive fee (if any), as well as any other sources of financial return to the principal member or investors that will be generated by the project. Identify why this structure and its components are competitive and reasonable. Please identify the source(s) of all equity by dollar amount and type, the recipients of fees

and equity returns by percent, and any other financial returns to principal member firms or investors.

2) The anticipated sources of capital (debt and equity) that will be used to finance short- and long-term project expenses. This should include the firm's plan for competing both the debt and the underwriting during Phase 1 of the CDMP development.

3) The firm's intent concerning the use of Army assets and resources as permitted under the MHPI authorities in order to implement the firm's preliminary project concept statement as described in 4.4.1.

4) The firm's strategy for financing the project on a long-term basis including anticipated costs, discussion of the risks and benefits of the structure, and why this strategy offers the best value to the government. Specifically, discuss the assumed placement and closing costs, the debt structure, the interest rate locking approach and associated risks, and the assumed interest rates included in the offeror's submittal. Identify the anticipated impact of changes in interest rates on the preliminary project concept. In addition, please provide detail on the firm's approach to securing debt through a competitive process.

5) A 50-year working (Excel format with functional cell formula in place) pro forma analysis depicting your initial and out-years development period, construction budgets and 50-year operating cash flow. Include all development periods, all derived income, BAH growth, and all other assumptions and limitations. Expected sources and uses of funds must be clearly explained in the pro forma. In addition, provide a cash waterfall diagram, a summary of key assumptions with footnotes, and an accompanying explanation of the lock box accounts.

A discussion of the firm's approach to balancing initial and out year development expenditures, development scope and operations funding, and financial return and project risk. Included in this discussion should be a summary of the firm's approach to reinvestment and out year development. Additionally, this discussion should provide a summary of the relationship, if any, between the firm's expected financial return and its approach to ensuring that the assets are preserved and high service levels are maintained over the course of the project. Any refinancing plans should be included in this discussion.

#### **4.4.2 Preliminary Project Concept Statement**

a. The offeror should provide a preliminary project concept statement, the purpose of which is to give The Army illustrative information about the offeror's overall vision, strategy, and approach to improving and maintaining the military family housing community at the project sites. The actual, detailed, agreed-upon CDMP, which is the



plan for Community Development and Management for the project will be negotiated and formalized during Phase 1 of the contract.

b. In crafting the preliminary project concept statement, offerors should assume that their firm is selected as the developer for the project. Beginning from the time of selection, describe your vision of The Army family housing community at the relevant installation - Fort Knox, Fort Leavenworth or Redstone Arsenal. The preliminary project concept statement should also describe your approach to accomplishing the vision.

c. Your statement should include your firm's assessment of Army family housing needs at these installations and how you would address those needs. Concept should include your analysis of existing housing units and recommendations to enhance and improve units to create quality residential communities. Include a description of how you would provide quality operation, maintenance, and property management services to the communities over the life of the project. The statement should consider elements of community safety and recommended steps toward improvement. It should also include a general description of how you would enhance the aesthetic character and quality of the residential communities. It should also include items such as conceptual land-use plans and general descriptions of potential housing products. Detailed drawings, specifications, or other detailed technical information are not required as part of the preliminary project concept statement. However, schematics that help explain your vision may add value to your presentation.

d. Describe how you would incorporate existing on-base community assets and design principles to achieve your vision. If you envision including ancillary supporting facilities, your statement should describe the general nature of these facilities and how they relate to and support family housing. Explain your approach for integrating them into the residential communities for Army families and the surrounding civilian communities, and describe how you would finance, build, and operate them.

e. The preliminary project concept statement should also describe your approach to building a long-term working relationship with The Army and other community stakeholders. It should also summarize your methodology for successfully completing the CDMP planning process, and undertaking the ensuing community development and management. Provide a milestone schedule for opening and staffing your partnering operation on-site at Fort Knox, Fort Leavenworth and Redstone Arsenal as appropriate.

f. The statement should also describe your plan for reinvesting revenue earned from the project back into the project itself or, as appropriate, returning revenue to The Army. Particular attention should be given to your strategy as it relates to reinvestments for capital upgrades and other ongoing development tasks.

g. The preliminary project concept statement should include your concept for bringing the housing inventory to an adequate condition within 10 years of the transfer of

operations. You should indicate how you will ensure that this milestone is reached, how you will protect the project scope during the initial development period, and identify those contingencies that might make your plan un-executable.

h. Documentation that addresses and identifies the expected equity necessary (i.e., sources and amount) to obtain financing for a project the size and scope of each project.

#### **4.4.3 Organizational Capabilities (On-Site, Project Specific)**

Provide basic background information on key personnel to be assigned to the CDMP development and implementation process and their anticipated roles throughout all phases of the required work effort. Key personnel are those who are considered critical to the accomplishment of the required services. For each key person identified, submit a one-page resume that, at a minimum, describes the key person's duties and responsibilities, his/her education, knowledge, skills, expertise, and other qualifications relevant to the accomplishment of the project. Your response should include an organization chart that depicts the relationship between the key people, specifying which personnel will be dedicated on-site, full-time during the CDMP development, transition and implementation. Also, as an attachment, indicate the extent to which key personnel worked together on projects relevant to the effort.

#### **4.4.4 Small Business Utilization Plan (On-Site, Project Specific)**

Provide your plan for how much (either in dollars or as a percentage) of the subcontracted cost will be allocated to small business concerns (See 4.3.5 b.). Detail your plan and schedule for conducting small business outreach events. Describe your method of fulfilling your commitment to small business at the relevant project.

### **4.5 Evaluation Process**

The Army will establish an Evaluation Team to review responses to this RFQ in order to select the awardee for each project. The Evaluation Team will include Army executives and other personnel and will seek advice from consultants with specific expertise in large-scale residential community development, historic preservation projects, environmental issues, financing, operations, and management services. An initial review will be conducted to ascertain whether offerors have met the MERs as outlined in the solicitation. The offerors who have met the MERs will be eligible to submit their SOQ response to Step One B. The Evaluation Team will then review those proposals in order to establish a highly qualified competitive group. Additional communication with prospective offerors, as well as independent background analyses, may be conducted at the discretion of the Contracting Officer. References identified by prospective offerors in their submissions and other third parties may also be contacted.

#### **4.5.1 Highly Qualified Competitive Group Based on Initial Submissions (Step One)**

The Army intends to evaluate submissions received in response to this RFQ without providing prospective offerors the opportunity to revise their submissions during Step One. Consequently, the offeror's initial submission should contain all information that the offeror thinks is needed to demonstrate to The Army that the offeror is qualified to advance to Step Two. While the government does not intend to meet with offerors to encourage revisions to their submissions, The Army may contact offerors to clarify certain aspects of their submission or to correct clerical errors. As an example, The Army may contact an offeror to clarify the scope of the offeror's involvement in a past development project. The number of firms included in the highly qualified competitive group may be limited in order to make the evaluation process as efficient as possible. Additional details concerning the highly qualified competitive group and its formation may be found in Appendix E.

#### **4.5.2 Award Based on Oral Presentation (Step Two)**

a. The Army intends to select the awardee for each project contract following oral presentations. Offerors in the highly qualified competitive group will be notified in order to properly arrange for their oral presentations. Offerors will be given approximately 30 days to prepare for their oral presentation. Offerors electing to compete for a specific project shall notify the Contract Specialist of their intent to participate according to the instructions provided in the notice inviting them to participate. Each offeror choosing to participate will then be assigned one presentation date within a number of consecutive available dates. The order of appearance will be selected on a random basis. Offerors within the highly qualified competitive group agree to hold their proposals open for one year (365 calendar days) from the date of closing for receipt of their Step One proposal in the event issuance of Step Two is delayed.

b. Absent specific instructions in the Army notification identified in Paragraph a. above, notice of intent to participate in Step Two shall be delivered electronically to [tracy.fetchik@usace.army.mil](mailto:tracy.fetchik@usace.army.mil) and identify this solicitation by number.

c. One original and 4 hard copies plus an electronic version on CD of all written material in support of Oral Presentations and Step 2 must be sent to the address below. These materials must arrive no later than close of business on the day of your oral presentation. Submissions failing to arrive by the established deadline will be disqualified and not evaluated as outlined in Appendix E, FAR Clause 52.212-1. Refer to Section 4.1.1.c for formatting instructions for written materials in support of oral presentations. Written materials submitted prior to or concurrent with Oral Presentations that are in support of the Oral Presentations may not exceed a) 75 single spaced pages of text and tables and b) 150 PowerPoint (or equivalent) slides (which if supplied on hardcopy do not exceed two slides per page). Renderings, resumes and the financial pro forma are not subject to the 75 page and 150 slide limit.

If Hand carried or sent via Overnight Delivery:

RCI PDT Satellite Office

US Army Corps of Engineers, Baltimore District

Attn: Tracey Fetchik  
Bldg 4471 Redwood Road  
Fort Meade, MD 20755  
Reference: RFQ No. W912DR-04-R-0012

d. Approximately eleven individuals representing the Government will be attending the Oral Presentations. It is the decision of the Offeror whether to supply attendees with written materials during the Oral Presentation.

e. During Step Two, each offeror will be allowed six (6) hours to make an oral presentation, which will be recorded on videotape. One copy of the videotape will be provided to the offeror.

f. Offerors will have until 4:00 p.m. E.T. on the 3<sup>rd</sup> business day following the conclusion of the oral presentation to submit further clarifications and responses to questions, not to exceed 25 pages, to the contract specialist in paragraph b. above. This final submittal document must be signed by the offeror's principal members and be submitted in a clearly identified original hardcopy version (plus five copies), and provided electronically on compact disk (CD). Blank tab pages do not count toward the 25-page count. Submissions shall be in Microsoft Word format, 12-point type in the Arial font, except that tables, charts and 3<sup>rd</sup> party documentation may be in any format, type and size font. The pro forma must be in Microsoft Excel.

#### **4.5.3 Source Selection Decision.**

At the conclusion of the oral presentation (as described above) and subsequent evaluation, the Evaluation Team will present its consensus evaluation of all offerors through the Contracting Officer to the Source Selection Advisory Committee (SSAC). The SSAC shall review the SSEB analysis and make a comparative assessment of proposals against all source selection criteria in the solicitation. The report of the SSAC shall be briefed to the Source Selection Authority (SSA) who will make the final analysis resulting in a recommendation to award. While the SSA may use reports and analyses prepared by others, the source selection decision will represent the SSA's independent judgment. Upon receipt of the SSA's decision, the Contracting Officer will make the award.

#### **4.6 Evaluation Factors**

a. The Evaluation Team will use five factors to evaluate the information provided in response to this RFQ for Step One, Part B. These factors are listed here in descending order of importance: (1) Experience, (2) Financial Capability, (3) Organizational Capability (Corporate Level), (4) Past Performance, and (5) Small Business Concerns as Subcontractors (General History).

- b. The Evaluation Team will use four factors to evaluate the information provided in response to this RFQ For Step Two, these factors are listed in descending order of importance: (1) Project Finance (2) Preliminary Project Concept (3) Organizational Capabilities (On Site, Project Specific) (4) Small Business Utilization Plan (On Site, Project Specific)
- c. The assessment of Past Performance will be used in making the “Best Value” selection. Past Performance enables The Army to better predict the quality of, and customer satisfaction with, future work. The developer in this initiative must deliver the same high quality of service to The Army as it delivers to its best private sector customers. The emphasis placed on past performance demonstrates The Army’s commitment to select the offeror that will accomplish, at a minimum, what was presented in the RFQ response and negotiated during the CDMP for the entire term of the project. Accordingly, offerors will be required to submit project past performance information as stated in Section 4.3.4.
- d. The Past Performance Questionnaire (Appendix J) will be used by the Evaluation Team to obtain customer input on the projects submitted and this information will be consolidated into an overall Past Performance rating. The evaluation team may consider information about other projects performed by offerors and identified through any and all means, including but not limited to customer surveys and comments from Government agencies.
- e. The elements and questions for each factor will be evaluated comprehensively to determine an overall rating for that factor, which will be used to analyze the offeror’s ability to plan and implement the project.
- f. Each individual evaluation factor will be rated as indicated below. The evaluators will assign one of the following ratings to each factor:
  - 1) Exceptional Plus (E+): The offeror has addressed substantially all of the elements in this factor in a manner that demonstrates superior added value above a satisfactory response for substantially all of the elements.
  - 2) Exceptional (E): The offeror has addressed many of the elements of this factor in a manner that demonstrates superior added value above a satisfactory response and has addressed substantially all of the remaining elements in this factor in a manner that demonstrates high added value above a satisfactory response.
  - 3) Exceptional (E-): The offeror has addressed some of the elements of this factor in a manner that demonstrates superior added value above a satisfactory response, has addressed many of the elements in this factor in a manner that demonstrates high added value above a satisfactory response and has addressed substantially all of the remaining elements in this factor in a manner that demonstrates a satisfactory response.

- 4) Acceptable Plus (A+): The offeror has addressed many of the elements in this factor in a manner that demonstrates some added value above a satisfactory response and has addressed substantially all of the remaining elements in this factor in a manner that demonstrates a satisfactory response.
  - 5) Acceptable (A): The offeror has addressed substantially all of the elements in this factor in a satisfactory manner.
  - 6) Acceptable (A-): The offeror has addressed many of the elements in this factor in a satisfactory manner and has addressed substantially all of the remaining elements in this factor in a marginal manner.
  - 7) Unacceptable (U): The offeror has failed to address substantially all of the elements of this factor in a satisfactory manner or has simply failed to address substantially all of the elements in this factor.
  - 8) Neutral: This rating will only be used to evaluate an offeror in the past performance evaluation factor (4.3.6). The offeror did not have a sufficient history that could be evaluated in a level of detail that allowed the evaluation team to draw a conclusion about the offeror's past performance.
- g. In addition, the evaluators will assign an overall rating to each proposal as indicated below:
- 1) Exceptional Plus (E+): The offeror has addressed substantially all of the factors in a manner that demonstrates superior added value above a satisfactory response.
  - 2) Exceptional (E): The offeror has addressed many of the factors in a manner that demonstrates superior added value above a satisfactory response and has addressed substantially all of the remaining factors in a manner that demonstrates high added value above a satisfactory response.
  - 3) Exceptional (E-): The offeror has addressed some of the factors in a manner that demonstrates superior added value above a satisfactory response, has addressed many of the factors in a manner that demonstrates high added value above a satisfactory response and has addressed substantially all of the remaining factors in a manner that demonstrates a satisfactory response.
  - 4) Acceptable Plus (A+): The offeror has addressed many of the factors in a manner that demonstrates some added value above a satisfactory response and has addressed substantially all of the remaining factors in a manner that demonstrates a satisfactory response.
  - 5) Acceptable (A): The offeror has addressed substantially all of the factors in a satisfactory manner.

- 6) Acceptable (A-): The offeror has addressed many of the factors in a satisfactory manner and has addressed substantially all of the remaining factors in a marginal manner.
  - 7) Unacceptable (U): The offeror has failed to address substantially all of the factors in a satisfactory manner or has simply failed to address substantially all of the factors.
- h. The evaluators will use the rating of each evaluation factor to determine a composite rating for the submission. The evaluation team chairperson will prepare the evaluation team consensus report based on the details of the individual reports, recording dissenting votes as a minority opinion. The evaluation team consensus report shall deal specifically with the facts of each offeror submission. It will not include a recommendation as to the offeror who shall receive award, nor a rank order or order of merit list of those offerors being evaluated. The SSEB will present its consensus evaluation of all offerors through the Contracting Officer to the SSAC. The SSAC shall review the SSEB analysis and make a comparative assessment of proposals against all source selection criteria in the solicitation. The assessment of the SSAC shall be briefed to the SSA who will make the final analysis resulting in a recommendation to award. While the SSA may use reports and analyses prepared by the others, the source selection decision for selection of the contractor will represent the SSA's independent judgment. The SSA will select the primary and secondary offers that provide the best value to the Government.
  - i. In addition to the adjectival ratings above, a risk rating will be assigned to the overall proposal. The purpose of this rating is to assess the level of risk associated with selecting the contractor to perform Phase 1, Project Planning and Phase 2, Project Implementation.
  - j. The evaluators will assign one of the following risk ratings to the offerors' submittal:
    - 1) Low Risk: Any weaknesses identified by the evaluators in the experience, approach, capabilities, and/or past performance record of the developer that have little potential to cause disruption to the planning and implementation phases. Normal contractor/government effort and monitoring will probably minimize any difficulties.
    - 2) Moderate Risk: There are weaknesses identified by the evaluators in the experience, approach, capabilities, and/or past performance record of the offeror that can potentially cause disruption to the planning and implementation phases. Special contractor/government emphasis and close monitoring will probably minimize any difficulties.
    - 3) High Risk: There are weaknesses identified by the evaluators in the experience, approach, capabilities, and/or past performance record of the developer that have the potential to cause significant disruption to the planning and

implementation phases even with special contractor/ government emphasis and close monitoring.

- k. The evaluators will document the weaknesses and their potential impact on disruption to the planning and implementation phases of the project to justify the contractor selection rating.



## **STEP ONE EVALUATION**

### **4.6.1 Experience**

- a. For firms that meet the minimum experience requirements, the following questions and elements will aid the Evaluation Team in evaluating the experience factor.

**Does the offeror possess the experience necessary to plan, design, finance, partner, and implement projects such as those identified in this solicitation?**

- 1) To what extent has the offeror demonstrated through experience the ability to plan, develop, redevelop, manage, and maintain large-scale residential development projects, including providing for their construction, financing, environmental management, and long-term operation, as well as recognizing and mitigating seismic conditions?
  - 2) To what extent has the offeror demonstrated through experience the ability to serve as a contractor and partner in working with the federal government, state or local governments, or non-profit institutions?
  - 3) To what extent has the offeror demonstrated through experience the ability to address environmental and historic property treatment issues and conforms to restrictions and guidelines for the environmental remediation and preservation of these property types?
  - 4) To what extent has the offeror demonstrated the ability through experience to renovate housing units while residents occupy units in another portion of the same development project?
  - 5) To what extent has the offeror demonstrated through experience, and in relation to its approach to managing the project, the ability to work successfully in cooperation with other business entities or organizations on complex projects requiring long-term real estate operation, maintenance, and property management?
- b. This last factor element evaluates the extent to which a single-firm offeror has worked with other organizations (e.g., subcontractors, financial institutions) on projects requiring long-term real estate operation, maintenance, and property management functions. In the case of a joint venture, this last factor element also evaluates the extent to which the joint venture's principal members have experience working together or with other organizations on these projects in joint ventures or similar types of business relationships.

#### **4.6.2 Financial Capabilities**

The following questions and elements will aid the Evaluation Team while evaluating the Financial Capabilities factor.

**Can the offeror structure, arrange, and manage the financing required for the successful development and long-term operation of a large, complex residential project?**

- 1) Does the offeror possess the financial capability, bonding capacity, and institutional relationships necessary to obtain financing for a project of this size and scope and to weather temporary or near-term cash flow shortfalls?
- 2) Does the offeror have a viable strategy for financing the project on a long-term basis, and is the strategy supported by the offeror's identified capabilities?
- 3) Does the offeror identify sources of equity to be used in the project and for the duration of this equity investment?

#### **4.6.3 Organizational Capabilities (Corporate Level)**

The following questions and elements will aid the Evaluation Team in evaluating the organizational capabilities factor.

**To what extent can the offeror field a qualified, experienced project team with the expertise and workload capacity necessary to manage all of the disciplines required to plan, develop, redevelop, manage, and maintain a large-scale, long-term, quality residential community development project?**

- 1) Does the offeror possess the organizational capability to field a team that possesses the skills necessary to make the CDMP creation process successful. Some of these disciplines include business planning, master planning, financing, public approvals, community and governmental relations, construction, environmental management, seismic mitigation, volcano eruption, marketing, sales, rentals, historic preservation (architecture, landscape, and archeology) and long-term property management and maintenance.
- 2) Does the offeror present an organizational structure that allows for successful oversight and creation of a CDMP?
- 3) Does the offeror successfully demonstrate the workload capacity to incorporate the proposed RCI project into their current and planned business operations?

This factor considers the prospective offeror's ability to manage and integrate various functional disciplines relevant to the successful planning of the project. In the case of joint ventures, this factor evaluates the organizational capabilities of each member of

the joint venture in their assigned areas of responsibility (see Section 4.3.3) and any previous or current third-party certification of such ability. Resumes for individual personnel are not required until Step Two.

#### **4.6.4 Past Performance**

The following questions and elements will aid the Evaluation Team in evaluating the past performance factor.

**How acceptable is the offeror's risk of non-performance or poor performance in either crafting or implementing the CDMP for the project, based on past performance?**

1) The Army's evaluation of past performance will be based on information provided by the prospective offeror as required in Section 4.3.6, as well as on independent background analyses. The Past Performance Questionnaire (Appendix J) will be used by the Evaluation Team to obtain customer input on the projects submitted, and this information will be consolidated into an overall performance rating. References identified in the submission, and by third parties, may be contacted as part of this evaluation. The Army's analysis of the offeror's past performance will take into account the currency and relevancy of information examined, the context of the data, and general trends in the offeror's performance.

2) Consistent with Section 4.3.4, the past performance for a joint venture will consider both the joint ventures' past performance and that of its principal members. Offerors and principal members in a joint venture that lack a past performance history will be given a neutral past performance evaluation.

#### **4.6.5. Small Business Utilization (General History)**

The following questions and elements will aid the Evaluation Team in evaluating the Small Business Utilization (General History) factor.

**How has the offeror used small businesses in past projects?  
Does the offeror have proactive policies with regard to the use of small businesses and can the offeror demonstrate that small business utilization has been emphasized, even when not required by the government?**

This factor considers the participation of small businesses in the offeror's past and current projects. This would include type of work subcontracted to small businesses, percentage of the dollar amount of work that was subcontracted to small businesses per project compared to the overall cost of the project, what your goals were and if you met your goals (by what percentage), etc. In the case of a joint venture, information on the use of small businesses on past/current projects should be provided

separately for each principal member.

## **STEP TWO EVALUATION**

### **4.6.6 Financial Return**

a. The following questions and elements will aid the Evaluation team in evaluating the financial factor.

**How and to what extent will the offeror's expected capital structure and financial return (taking into account the proposed ownership structure, reinvestment plan, and use of MHPI authorities) support the proposed preliminary project concept and promote the successful improvement in the quality of the residential community at the installation and the quality of life for soldiers and families living on the Installation?**

- 1) Does the offeror's proposed approach to generating a financial return provide incentives to reward good service and high-quality maintenance over the life of the project?
- 2) Does the offeror demonstrate an understanding of the MHPI authorities? Does the offeror adequately and accurately explain the use of MHPI authorities? Is the offeror's plan for implementing the preliminary project concept under OMB scoring rules an efficient use of the government contribution to the project?
- 3) Does the offeror outline a plan for securing the most efficient debt [lowest cost debt at the most flexible terms], through a competitive process? Does the offeror identify the risks and benefits for the overall capital structure, including a plan to mitigate any potential risk?
- 4) Does the offeror's pro forma financial model accurately reflect the project concept and financial plan outlined in the proposal? Does the offeror demonstrate an availability to integrate the financing, development and operations plans?
- 5) Does the offeror demonstrate an understanding of the opportunities for and limitations on the revenue and expense associated with the project? Does the financial plan support the long-term maintenance of the project?
- 6) Does the offeror identify accurate amounts of equity and detail sources?

b. The effect of implementing an offeror's concept under OMB scoring rules will be taken into account by The Army and will affect offeror evaluations. However, cost or price will not be the primary determinant of contractor selection.

### **4.6.7 Preliminary Project Concept Statement**

This factor considers the prospective offeror's overall project concept for the long-term development, operation, maintenance, and property management of the specified military family housing community, and the offeror's creativity in meeting The Army's objectives. The following questions and elements will aid the Evaluation Team in evaluating the Preliminary Project Concept factor.

**Has the offeror provided a creative, robust vision that meets The Army's needs and signals a realistic, successful outcome?**

- 1) Does the prospective offeror understand The Army's goals and needs for the project as identified in Section 1.1 of this solicitation?
- 2) Is the offeror's approach to the project, including its plan for reinvestment and its plan for providing quality long-term operation, maintenance, and property management, practical and likely to succeed from a long-term business and financial standpoint?
- 3) Does the offeror's approach adequately consider the installation information, including the vision and goals for the RCI Project as summarized in Section 2.1.1 and the Appendices?
- 4) Do all ancillary supporting facilities proposed as part of the overall project concept relate to and support housing? Similarly, to what extent are proposed ancillary supporting facilities incorporated into an overall development vision that seeks to complement (and not compete with) business operations in the local community or on-post operations such as those run by MWR activities and organizations such as AAFES or DeCA (see Section 2.1.1)?

**4.6.8 Organizational Capabilities (On-Site, Installation Specific)**

- a. The following questions and elements will aid the Evaluation Team in evaluating the organizational capabilities (On-Site, Installation Specific) factor.

**To what extent can the offeror field a qualified, experienced project team with the expertise and workload capacity necessary to manage all of the disciplines required to develop, redevelop, manage, and maintain a large-scale, long-term, quality residential community?**

- 1) Does the offeror possess the organizational capability to field a team that possesses the skills necessary to make the CDMP creation process successful, to cover all of the disciplines required to successfully implement the CDMP over the long-term, and to maintain high standards of development, redevelopment, service and operations. Some of these disciplines include, public approvals, community and governmental relations, construction, environmental management, seismic mitigation, marketing, sales, rentals, historic preservation

(architecture, landscape, and archeology) and long-term property management and maintenance.

2) Does the offeror successfully demonstrate the long term workload capacity to implement the proposed RCI project?

b. This factor considers the offeror's ability to manage and integrate various functional disciplines relevant to the successful implementation of the project. Offeror's should address their joint venture's workload and bonding capacity and how they would successfully incorporate award of this project into their other business operations. In the case of joint ventures, this factor evaluates the organizational capabilities of each member of the joint venture in their assigned areas of responsibility (see Section 4.3.4) and any previous or current third-party certification of such ability. One-page resumes for individual personnel who have been identified as key participants in this project should be included in the hard copy submission but will not count against the page limit.

#### **4.6.9 Small Business Utilization Plan (On Site, Project Specific)**

The following questions and elements will aid the Evaluation Team in evaluating the Small Business Utilization factor.

##### **How will the offeror use small businesses for this project?**

It is Army policy to ensure that small businesses have the maximum practicable subcontracting opportunity to participate during Phase 2 (implementation of the CDMP). This factor considers the offeror's plan (i.e., illustrative list of work areas) for utilization of small businesses during Phase 2 of this project, as well as percentage of work or dollars that will be subcontracted to small businesses.

#### **5.0 ADVISORS**

Representatives from Jones Lang LaSalle, Colliers Seeley International, Inc. and the University of Maryland have been retained to assist The Army in planning and implementing the RCI program. Each of these entities and their subcontractors are precluded from working with prospective offerors on their submissions for the RCI Projects.

#### **6.0 ADDITIONAL TERMS AND CONDITIONS**

Prospective offerors interested in pursuing this opportunity should also review the provisions set forth in Appendix E of this document and include with their submissions the requested representations and certifications. Depending on the specific terms of the CDMP, the selected contractor may be required to comply with other applicable public laws and regulations as a condition of proceeding with implementation. Clauses

required to implement the CDMP would be added or deleted by The Army as appropriate. A glossary of terms, Appendix I, is provided to assist in the preparation of your submissions.

## **7.0 SOLICITATION, OFFER, AND AWARD**

The Army will treat all submissions received in response to this RFQ as offers. If an offer is accepted by The Army, the undersigned agrees to perform all work required in the Work Statement for the project (Section 2.0) and to comply with all other provisions of the solicitation, including all clauses incorporated by reference (see Appendix E). The undersigned further warrants that, to the best of its knowledge and belief, all information provided in their submission is accurate and may be relied on by The Army for the purposes of selecting a contractor for contract award. Prior to acceptance, the respondent may withdraw its submission. However, unless withdrawn by written notice, the offeror agrees to leave its offer open and capable of being accepted by the government for 12 months (365 calendar days) from the date of CDMP contract award (see Section 2.1.4). The offeror understands that the details of the winning submissions will be the baseline for negotiation of the CDMP with The Army.

**Solicitation DACA31-03-R-0004**

**[Department of The Army]**

Name \_\_\_\_\_ Title \_\_\_\_\_  
(Print or Type)

By: \_\_\_\_\_ Date signed \_\_\_\_\_  
(Signature of person authorized to sign on behalf of the U.S. Army)

**Offeror**

Name \_\_\_\_\_ Title \_\_\_\_\_  
(Print or Type)

Firm Name \_\_\_\_\_

By: \_\_\_\_\_ Date signed: \_\_\_\_\_  
(Signature of person authorized to sign on behalf of the offeror)